AUSTRALIAN NAVAL INFRASTRUCTURE

ANNUAL REPORT 2019 - 2020

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In defining ANI's corporate identity, ANI has adopted Morse code, a communication method still used as an important tool today on seafaring vessels as a means of silent communication, or as a fall back when other methods are unavailable or disabled. The Morse graphic literally translates as ANI.

ISSN: 2208-9535

AUSTRALIAN NAVAL INFRASTRUCTURE

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Senator the Hon Mathias Cormann
Minister for Finance
Parliament House
CANBERRA ACT 2600

Senator the Hon Linda Reynolds CSC
Minister for Defence
Parliament House
CANBERRA ACT 2600

Dear Ministers,

Australian Naval Infrastructure Pty Ltd 2019 - 2020 Annual Report

I am pleased to submit the 2019-20 Annual Report for Australian Naval Infrastructure Pty Ltd (ANI or the Company), which has been prepared in accordance with the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act).

The Annual Report includes the financial statements for the financial year ended 30 June 2020 as well as reports on ANI's progress during the financial year.

The Company's primary purpose is to support the Commonwealth's continuous naval shipbuilding program through:

1) acquiring, holding, managing and developing the infrastructure and related facilities used in connection with this program, and

2) efficiently and effectively managing this infrastructure (including providing access) in a manner that ensures an integrated and coordinated approach to the delivery of all aspects of this program.

ANI's Board has approved this report in accordance with a resolution on 23 September 2020.

I would be grateful if you could endorse this document for tabling in Parliament.

Yours sincerely,

LUCIO DI BARTOLOMEO
Chair

23 September 2020

The Steel Fabrication Hall is fitted with state-of-the-art equipment enabling a Steel in...Ships out capability for the first time at the Osborne Naval Shipyard

CHAIR AND CEO'S LETTER

We are pleased to present the 2019-20 Annual Report for Australian Naval Infrastructure Pty Ltd.

ANI has continued to support the Commonwealth's continuous naval shipbuilding program by being the owner, developer and manager of infrastructure and related facilities, and by managing the infrastructure to ensure an integrated and coordinated approach to delivery of the shipbuilding program.

During the year ANI achieved a significant milestone with practical completion of the new Osborne South shipyard in readiness for handover to ASC Shipbuilding for the Hunter Class Frigate Program. With highly sophisticated and specialised steel surface treatment, cutting, bending, profiling, bevelling and robotic welding equipment, this yard will facilitate the efficient construction of nine Hunter Class frigates by ASC Shipbuilding over the next two decades.

In another key milestone, ANI commenced site works for the new submarine construction yard which will be used by Naval Group and Lockheed Martin to build twelve Attack Class submarines. Construction of the critical test facilities including the Combat System Physical Integration Facility and the Platform Land Based Test Facility are progressing to plan, with site works on the main fabrication halls to commence during the second half of 2020.

ANI continued to provide infrastructure facilities to the Collins Class program in support of submarine sustainment and also to the Air Warfare Destroyer (AWD) program. HMAS Sydney, the third and final AWD, departed from Osborne during April 2020.

ANI operations personnel played an important role in the consolidation of two mega-blocks for the first Offshore Patrol Vessel being constructed by Luerssen Australia and ASC in the Osborne South shipyard. ANI operators used newly acquired self-propelled modular transporters to manoeuvre the aft and forward blocks into position, representing the largest block transfers undertaken in the shipyard.

The past year has also seen ANI continue to build its organisational capability through the engagement of key personnel, together with the continued development of its systems and processes.

Despite the impacts of Covid-19, ANI has proven its ability to deliver on its objectives as the owner, developer and manager of critical shipyard infrastructure and the impacts of Covid-19 are not expected to significantly impact ANI's financial or operational position, now or in the coming year.

LUCIO DI BARTOLOMEO	ANDREW SEATON
Chair	Managing Director and CEO

23 September 2020

ANI is a Commonwealth company and a Government Business Enterprise (GBE), classified as a Public non-Financial Corporation (PnFC).

The creation of ANI followed a strategic review of the ASC Group in 2015-16, which resulted in ASC Engineering Pty Ltd (as ANI was formerly known) being separated from ASC Pty Ltd on 26 March 2017.

ANI's primary object is to support the Commonwealth's continuous naval shipbuilding program through:

- acquiring, holding, managing and developing the infrastructure and related facilities used in connection with this program; and
- efficiently and effectively managing the infrastructure (including providing access) in a manner that ensures an integrated and co-ordinated approach to delivery of all elements of this program.

All of the share capital in ANI is owned by the Commonwealth of Australia and, as at 30 June 2020, ANI's Shareholder Ministers were the Minister for Defence and the Minister for Finance.

In the 2019-20 financial year, ANI has continued to expand its operational capability and capacity, through ongoing investments in staffing, systems and processes.

Context: Naval Shipbuilding Plan

The 2016 Defence White Paper set out the Australian Government's plan for a significant recapitalisation of the Royal Australian Navy, alongside a commitment to build a sustainable naval shipbuilding capability in Australia.

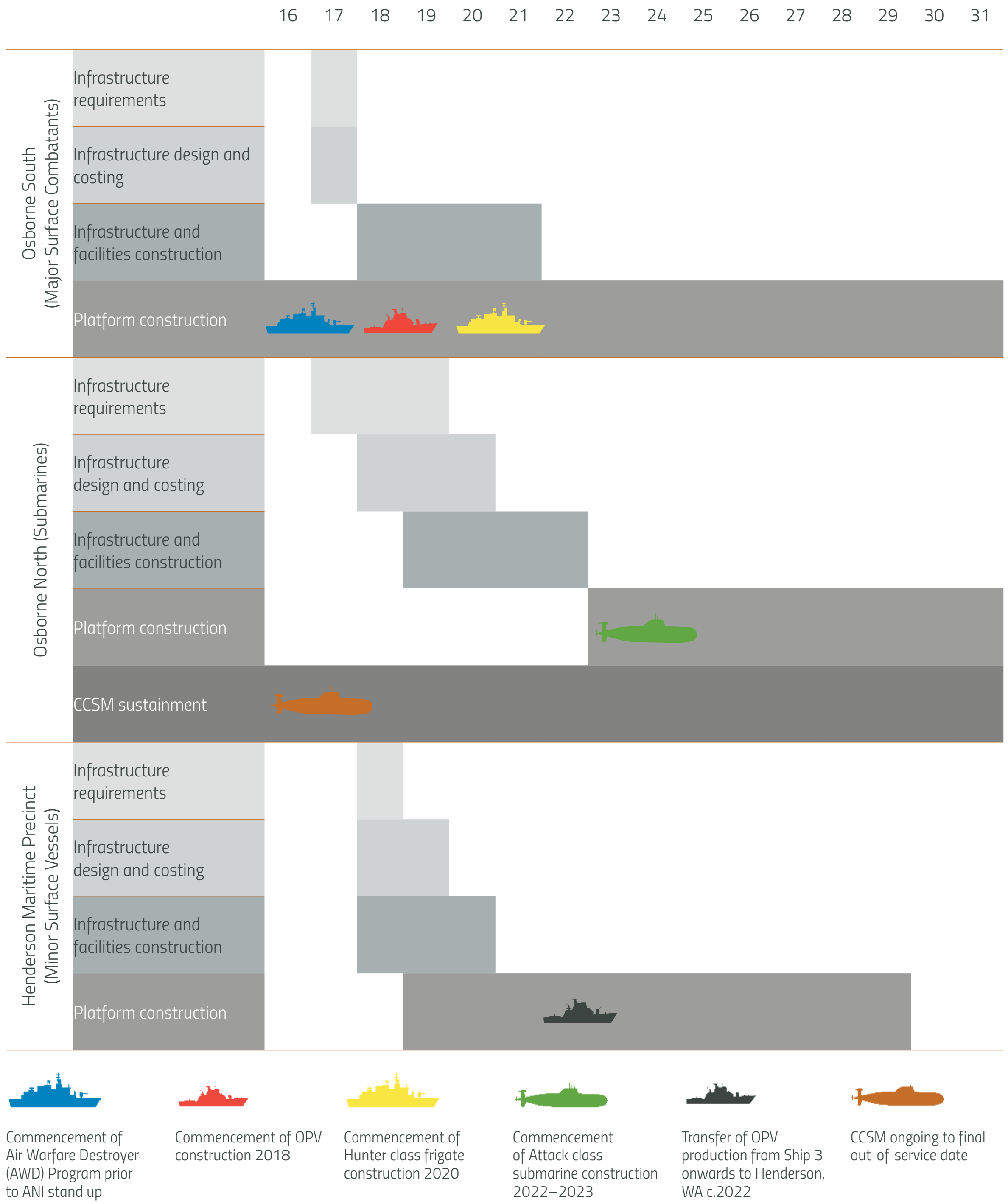
Delivering the naval capabilities that the Government articulated in the 2017 Naval Shipbuilding Plan is predicated on four key enablers:

- a modern, innovative and secure naval shipbuilding and sustainment infrastructure;
- a highly capable, productive and skilled naval shipbuilding and sustainment workforce;
- a motivated, innovative, cost-competitive and sustainable Australian industrial base, underpinned initially by experienced international ship designers and builders who transfer these attributes to Australian industry; and
- a national approach to delivering the Naval Shipbuilding Plan.

ANI's principal contribution to the successful delivery of the Naval Shipbuilding Plan is its role as an owner, developer and manager of critical shipyard infrastructure.

A summary of the continuous naval shipbuilding program is depicted in the following diagram.

Continuous naval shipbuilding program summary



Organisational Structure

The ANI team has continued to grow over the last year as the Company has developed. As at 30 June 2020, the Company has grown to a total of 43 staff, including a corporate team, a facilities/operations team, and project management teams for both the Osborne South Development Project (OSDP) and the Osborne North Development Project (ONDP).

ANI's growth has largely resulted from expanding the ONDP and facilities teams, including engagement of undergraduate and graduate engineers, and hiring specialists in procurement and safety.

Ongoing Employees

	Male	Female	Indeterminate	Total	Total (%)
2019 - 2020					
Full time	25	7	-	32	74%
Part time / casual	6	5	-	11	26%
Total	**31**	**12**	**-**	**43**	
Percentage (%)	72%	28%			
2018 - 2019					
Full time	20	6	-	26	79%
Part time / casual	3	4	-	7	21%
Total	**23**	**10**	**-**	**33**	
Percentage (%)	70%	30%			

Non-Ongoing Employees

	Male	Female	Indeterminate	Total	Total (%)
2019 - 2020					
Full time	2	0	-	2	33%
Part time / casual	3	1	-	4	67%
Total	**5**	**1**	**-**	**6**	
Percentage (%)	83%	17%			
2018 - 2019					
Full time	2	2	-	4	100%
Part time / casual	0	0	-	0	0%
Total	**2**	**2**	**-**	**4**	
Percentage (%)	50%	50%			

All ANI staff are based in South Australia.

ANI does not have any subsidiaries.

The Osborne Naval Shipyard now comprises more than 107ha of the Lefevre Peninsula in Osborne, South Australia

ANI's Assets

ANI's principal place of business is located within the shipyard precinct in Osborne, South Australia, where ANI owns the infrastructure necessary for ongoing naval vessel building and sustainment.

Assets held within ANI include:

Osborne North Shipyard (SA)

The Osborne North shipyard is the location for the full-cycle docking and maintenance of the Royal Australian Navy's six existing Collins Class submarines (CCSM) which is undertaken by ASC Pty Ltd.

Osborne North Development Project (ONDP)

To facilitate the construction of the Attack Class submarines, a new yard is to be built on land acquired by ANI to the west of the existing Osborne North yard. The design and construction is in accordance with functional specifications documented by Naval Group and Lockheed Martin Australia (LMA) and approved by Defence.

Construction of the test facilities including the Combat System Physical Integration Facility (CS-PIF) and the Platform Land Based Test Facility (PLBTF) commenced during 2019-20, with site works on the main fabrication halls to commence during the first half of 2020-21.

Osborne South Shipyard (SA)

The Osborne South shipyard was utilised for the build of three AWDs, the last of which was completed in April 2020. The yard is now being utilised by Luerssen Australia (Luerssen) and its subcontractor, ASC OPV Shipbuilder Pty Ltd for the construction of the first two Offshore Patrol Vessels (OPVs), with the remaining ten OPVs to be built in Henderson (WA).

Modernisation of the existing Osborne South shipyard will occur progressively from September 2020 when the relevant buildings are vacated by the OPV Program.

Osborne South Development Project (OSDP)

The Osborne South shipyard has been expanded to facilitate the construction of nine Hunter Class frigates by ASC Shipbuilding (ASCSB).

The OSDP objective was to deliver a modern shipyard through the construction of new facilities and modernisation of existing facilities at Osborne South to support the continuous build of major surface combatants up to Destroyer size.

Practical completion of the new facilities was achieved on schedule and on budget in June 2020 in readiness for the commencement of prototyping by ASCSB in late 2020.

Common Use Infrastructure (SA)

ANI owns and operates Common Use Infrastructure (CUI) at Osborne including the wharf, dry berth, transfer system and shiplift and provides services to the Naval Shipbuilding Programs and other commercial users of the shipyard.

Naval Shipbuilding College (SA)

The Naval Shipbuilding College is partnering with education and training providers to grow Australia's naval shipbuilding workforce and is located in facilities leased from ANI at Osborne.

Henderson Shipyard (WA)

ANI owns minor assets in support of CCSM sustainment mid-cycle docking by ASC Pty Ltd.

Corporate Office

ANI's corporate office is located in Port Adelaide. This office complements the Company's original premises and principal place of business at Veitch Road, Osborne, which continues to be utilised by ANI operations and project personnel. The corporate office is available to and used by representatives of the ONDP's Managing Contractor, Laing O'Rourke, and the Integrated Project Team (IPT), comprising representatives from Naval Group and Defence's FSP team.

Community Engagement

ANI actively facilitates two-way communications between residents, businesses and ANI. Community drop ins have provided the opportunity for members of the public to speak with ANI, while ANI's quarterly newsletter provides the local community with information on construction activities, project progress and recent and upcoming events.

Company Performance

The key objectives outlined in ANI's 2019-20 Corporate Plan have all been achieved.

These include:

- completing the OSDP on schedule and on budget;
- progressing design and planning for the Osborne South modernisation works;
- progressing design and commencing construction of the ONDP;
- progressing and executing access agreements; and
- developing precinct-wide security arrangements.

Cranes of varied capacity have been installed inside halls and on exterior hard stand areas to enable the movement of steel and components throughout the yard

Governance structure

ANI is incorporated as a company under the *Corporations Act 2001* (Cth) (Corporations Act), limited by shares and is subject to the PGPA Act.

All of the share capital of ANI is owned by the Commonwealth of Australia.

Under the PGPA Act, ANI is a Commonwealth Company, PnFC, prescribed as a GBE. While the Corporations Act is the primary regulatory framework, the PGPA Act sets the standards of governance and accountability and imposes specific duties on ANI's Board and executive relating to the use and management of resources.

Shareholder Ministers

ANI sits within the Finance portfolio of the Australian Government. Its Board reports to both the Minister for Finance and the Minister for Defence as Shareholder Ministers.

As at 30 June 2020, ANI's Shareholder Ministers were:

- Minister for Finance, Senator the Hon Mathias Cormann; and
- Minister for Defence, Senator the Hon Linda Reynolds CSC.

Ministerial directions

ANI did not receive any direction by a Minister, under its constitution, an Act or other instrument, or any government policy orders (under section 93 of the PGPA Act) in the 2019-20 financial year.

The Board

The ANI Board comprises six members. The Board is chaired by an independent non-executive director and the roles of Chair and Managing Director are separate. The Managing Director is the only executive director on the Board and is also the Chief Executive Officer.

David Knox, ANI's inaugural Managing Director and Chief Executive Officer retired on 3 April 2020. Shareholder Ministers appointed Andrew Seaton (previously ANI's Chief Financial & Commercial Officer) to fill that position from 6 April 2020.

All other directors are independent non-executive directors.

The Board is responsible for the corporate governance of ANI and operates within an approved Board charter. Each director is appointed by the Shareholder Ministers pursuant to a formal letter of appointment.

Chair

Lucio Di Bartolomeo was appointed Chair on 26 June 2017. The Chair is responsible for the leadership of the Board and for the efficient and proper functioning of the Board, including maintaining relationships with the Shareholders.

The Board's role and responsibilities

The Board acts in the best interests of ANI as a whole and on behalf of the Shareholder Ministers, representing the Commonwealth, and is accountable to the Shareholder Ministers for the overall strategic direction, management and corporate governance of ANI.

Subject to the PGPA Act, the constitution and directions from the Shareholder Ministers, the Board is responsible for:

- determining and fostering a corporate culture within the organisation that is appropriate to ANI;
- overseeing ANI, including control and accountability systems;
- appointing and monitoring the performance of the CEO and the Company Secretary and, where appropriate, the removal of the CEO and Company Secretary;
- providing strategic advice to management;
- approving and monitoring the progress of major capital expenditure projects, capital management, acquisitions and divestitures, as well as financial and other reporting;
- approving the annual Corporate Plan (including budgets and key performance indicators), and reviewing ANI's performance against them and monitoring the implementation of necessary corrective actions;
- reviewing and interrogating systems of risk management, internal control and legal compliance to satisfy itself that appropriate compliance frameworks and controls are in place;

- reviewing and overseeing the implementation of ANI's Code of Conduct;
- appointing Board committees and approving the composition, and any charters, of Board committees;
- monitoring and verifying compliance with legal and regulatory requirements, ethical standards and policies; and
- exercising due diligence to ensure that ANI complies with its work, health and safety obligations.

Board Committees

Audit and Risk Committee

The Board established an Audit and Risk Committee in August 2017, to assist the Board in carrying out its responsibilities, to share detailed work and to consider certain issues and functions in detail.

The Audit and Risk Committee's charter, which was updated and approved by the Board in November 2019, sets out the matters relevant to the composition, responsibilities and administration of the Committee.

The Audit and Risk Committee will meet as often as it considers necessary but at least three times a year.

A quorum for an Audit and Risk Committee meeting is two Audit and Risk Committee members.

The objectives of the Audit and Risk Committee are to:

a. help the Board achieve its objectives in relation to reviewing the appropriateness of the:
   i. financial reporting;
   ii. performance reporting;
   iii. systems of risk (financial and performance) oversight and management;
   iv. systems of internal control; and
   v. application of accounting policies;

b. maintain and improve the quality, credibility and objectivity of the financial accountability process;

c. assess ANI's risk management principles, policies, processes and practices so that it can satisfy itself that:
   i. adequate systems are in place for the effective identification and assessment of all areas of potential material business risk;
   ii. adequate policies, processes and procedures have been designed and implemented to manage identified material risks;
   iii. appropriate action is undertaken to bring the identified material risks within ANI's risk tolerance levels;
   iv. a culture of compliance is being promoted; and
   v. compliance strategies and functions are effective;

d. establish and maintain effective internal and external audit functions, and communication between the Board and the internal and external auditor; and

e. verify financial compliance strategies and financial compliance functions are effective.

As at the date of this report, the Audit and Risk Committee comprises Janice van Reyk (Chair), Peter Iancov and Jeremy Schultz.

Conflicts

Directors are expected to be sensitive to conflicts of interest or duty that may arise and mindful of their fiduciary obligations. Directors must:

a. disclose to the Board any actual or potential conflict of interest or duty that might reasonably be thought to exist as soon as the situation arises;

b. take necessary and reasonable action to resolve or avoid any actual or potential conflict of interest or duty; and

c. comply with the Corporations Act and the constitution in relation to disclosing material personal interests and any restrictions on voting.

The Board reviews all directors' disclosures at each meeting of the Board.

Delegations of authority and risk management

Clear delegated authorities consistent with maintaining efficiency of operations and effective management of risks have been implemented by the Board.

ANI's enterprise risk management framework and risk register is periodically reviewed by the Board and Audit and Risk Committee to ensure risks are being effectively managed.

CORPORATE GOVERNANCE STATEMENT cont

The OSDP displays indigenous artwork specifically created for the shipyard by local indigenous artists. Graphics and gardens of plants native to the area have also been incorporated

Board Performance and Education

The Board assesses the performance of the Board and the Chair on an annual basis. A performance review process in respect of the 2019-20 financial year has been undertaken internally.

The Board comprises experienced directors, including some directors with prior GBE experience.

During 2019-20, education of directors has focused on WHS due diligence obligations in the context of ANI's business.

Code of Conduct

ANI's Code of Conduct (Code) sets out the standards of conduct expected of ANI's directors, employees and contractors (ANI personnel).

The Code articulates the high standards of honesty, integrity, ethical and law-abiding behaviour expected of ANI personnel and encourages the observance of those standards to protect and promote the interests of ANI, its shareholders and other stakeholders.

Compliance with the Code will assist ANI in creating a safe, healthy and productive work environment and preserve and enhance ANI's reputation in the community. The Code supports ANI's purpose to be the owner, developer and asset manager of critical shipyard infrastructure, and operates in conjunction with ANI's policies and procedures.

PGPA Act and PGPA Rule

ANI operates within the PGPA Act which sets out the requirements for the governance, reporting and accountability of Commonwealth entities and Commonwealth companies.

GBE Requirements

ANI is prescribed as a GBE within the definitions outlined in the PGPA Act. As a GBE, ANI is required to follow the GBE guidelines.

Wholly owned GBEs (including ANI) are required to prepare a Corporate Plan and Statement of Corporate Intent (SCI) in consultation with Shareholder Ministers. These documents focus on the purpose and corporate outlook of the GBE, and express the expectations of its management in relation to future financial and non-financial performance.

ANI's third full Corporate Plan and SCI were developed in 2020, with the SCI being published in August 2020 on ANI's website at www.ani.com.au.

Community Service Obligations

The Company does not operate under any specific community service obligations.

Decisions affecting the Company and particulars of reports on the Company during the period

During the period, there were no judicial or administrative tribunal decisions applicable or reports on the Company.

Commercially sensitive information excluded from the annual report

The directors have excluded from the annual report any information that is considered to be commercially sensitive and would be likely to result in unreasonable commercial prejudice to the Company.

Work Health Safety and Environment

ANI takes a proactive approach to the management of work health and safety, and protection of the environment through appropriate management systems and programs, including employee health checks, inductions and safety related training.

In 2019-20, ANI did not have any notifiable incidents under Part 3 of the *Work Health and Safety Act 2011* (Cth). There was one low severity lost time injury (LTI). ANI has not experienced a serious injury.

The OSDP are ONDP are major construction projects, being undertaken by ANI's Managing Contractors, Lendlease and Laing O'Rourke respectively, under their safety management systems. ANI monitors the projects' safety performance to ensure that safety systems are operationalised and provide a safe place to work. There have been approximately 1.5 million hours worked on the OSDP, with zero notifiable incidents and two LTIs. On the ONDP there have been no notifiable incidents or LTIs to date.

Voluntary Tax Transparency Code (TTC)

ANI has complied with the requirements of the TTC as follows:

- *A reconciliation of accounting profit to tax expense and to income tax paid or income tax payable:* Being in a loss-making position, ANI is yet to pay income tax. The tax benefit, based on tax losses, equals 30% and is further detailed in note 6 of the financial statements.
- *Identification of material temporary and non-temporary differences:* ANI's net deferred tax balance of $37.7m comprises temporary differences, mainly attributable to revaluations of property, plant and equipment. This is further explained in Note 6(d) of the financial statements.
- *Accounting effective company tax rates for Australian and global operations:* ANI does not have a global presence and, from its Australian perspective, the tax benefit, based on tax losses, equals 30%.

Board and Management

The below table details Board and Committee meetings and director attendance during the reporting period.

	Board of Directors		Audit and Risk Committee	
	Held	Attended	Held	Attended
Mr Lucio Di Bartolomeo	9	9		
Mr Peter Iancov*	9	9	4	3
Mr Jim Whalley	9	8		
Mr Jeremy Schultz*	9	9	4	4
Ms Janice van Reyk*	9	9	4	4
Mr David Knox	6**	6		
Mr Andrew Seaton	3***	3		

*indicates Audit & Risk Committee member

** indicates number of meetings held prior to retirement on 3 April 2020

*** indicates number of meetings held since appointment on 6 April 2020

A fully equipped commercial-grade kitchen has been installed in Building 19 , the canteen, which has also been fitted with the latest in audio-visual equipment to enable full catering and function capability

The names and details of the directors in office as at 30 June 2020 are as follows:

LUCIO DI BARTOLOMEO

B.E (Civil), M.Eng.Sc

Chair and Non-Executive Director

Lucio was appointed as Chair on 26 June 2017. His current term will expire on 25 June 2023.

With over 40 years' experience in the transport industry, Lucio brings extensive knowledge in rail, infrastructure and engineering fields to the ANI Board as a non-executive director. He is currently the Chair of Australia Post and Health Infrastructure NSW as well as Deputy Chair of Moorebank Intermodal Company and director of Australian Super. He was previously a non-executive director of Australian Rail Track Corporation. Prior to taking on non-executive director roles, Lucio was the Managing Director of ADI Limited, Country Director of Thales (Australia) and Managing Director of FreightCorp.

PETER IANCOV

FIEAust, FAIB, FAIM, SMIEEE, MAICD, CSE

Non-Executive Director

Peter was appointed on 13 February 2017 and reappointed on 26 June 2017. His current term will expire on 25 June 2022.

Peter is an experienced company director and executive with over 28 years' expertise gained in the energy infrastructure, mining, commercial construction, contracting and defence sectors. He is currently Managing Director of Zinfra, Chairman of Chronos Advisory and has previously held senior executive positions across Australian and multinational organisations.

In his previous executive roles, Peter has been instrumental in securing and delivering major infrastructure projects and was responsible for the management, construction and operation of $4.3 billion of critical energy infrastructure assets.

Peter is a non-executive director of Western Power, and prior to joining ANI, was a non-executive director of ASC Pty Ltd.

ALAN (JIM) WHALLEY

MBA(Adel), BSc(NSW), MRAeS, GAICD

Non-Executive Director

Jim was appointed on 26 June 2017. His current term will expire on 25 June 2022.

Jim is a co-founder and executive Chairman of Nova Systems, one of Australia's largest privately owned defence professional service providers. He is a former air force fighter pilot and a graduate of the Royal Air Force Empire Test Pilots' School.

Amongst other qualifications, he holds a Masters of Business Administration, a science degree and completed the Harvard Business School OPM Executive Education Program. He is a member of the Sir Ross and Keith Smith Advisory Committee and the University of South Australia Council, and a director of AMCHAM and the Adelaide Festival.

Jim is also South Australia's Chief Entrepreneur and Chair of the Entrepreneurship Advisory Board, a member of South Australia's Economic Recovery Reference Group and a graduate of the Australian Institute of Company Directors.

JEREMY SCHULTZ

LLB (HONS), LLM, GDLP, FAICD, MAIE

Non-Executive Director

Jeremy was appointed on 13 February 2017 and reappointed on 26 June 2017. His current term will expire on 25 June 2023.

Jeremy was formerly Managing Partner and Chair of Partners at Finlaysons. He is currently a Partner and heads up the firm's Corporate and Energy practice areas.

He is an Australian Institute of Company Directors Fellow, a former Deputy Chair, Law Council of Australia, Business Law Section – Corporations Committee and Clean Energy Council – Founding Board Member, current director of RUAG Australia Pty Ltd, Chair of St Peter's Girls' School Board of Governors (including St Peters's Collegiate Girls' School Foundation Inc and CSC South Australia Inc), Australian Institute of Energy Board Member, Chair and Trustee of Les Favell Cricket Foundation and Board Member of Lisa Fahey Foundation Inc.

JANICE VAN REYK

FAICD, CPA

Non-Executive Director

Janice was appointed on 14 August 2017. Her current term will expire on 13 August 2023.

Janice is a non-executive director serving on the boards of Lochard Energy Group, Citywide, Victorian Ports Corporation, Tennis Australia, Melbourne and Olympic Park Trust and Northern Territory EPA. Previously, she enjoyed a career as a senior executive in ASX 100 companies (BHP, Orica, National Foods).

She also serves as an independent member of Vic Roads Risk Audit and Governance Committee. She is a Fellow of the AICD, a CPA and a Leadership Victoria Fellow.

ANDREW SEATON

BE (Chem) Hons, Grad Dip Bus Admin, GAICD

Managing Director and CEO

Andrew joined ANI in July 2017 and was appointed as Managing Director and Chief Executive Officer on 6 April 2020. His current term will expire on 5 April 2023.

Andrew has over 30 years' business experience encompassing a broad range of finance, strategy, commercial, investment banking, engineering and project management roles. He is a non-executive director of Strike Energy, Homestart Finance, Cavpower and Hydrocarbon Dynamics.

Andrew has an honours degree in Chemical Engineering, a Graduate Diploma in Business Administration and is a Graduate Member of the Australian Institute of Company Directors.

SALLY MCLENNAN

LLB (with Honours), GDLP, BMgt, MAICD

General Counsel and Company Secretary

Sally was appointed as General Counsel and Company Secretary on 21 August 2017.

Sally is an experienced in-house commercial and corporate lawyer and has over 30 years' business experience. Prior to joining ANI, she held senior legal roles at ASC Pty Ltd and Santos Limited. Sally's prior experience includes commercial and human resources roles across industries, including oil and gas, telecommunications and manufacturing sectors.

Sally has a Bachelor of Laws (with Honours), Graduate Diploma in Legal Practice and a Bachelor of Management (Labour Relations) and is a Member of the Australian Institute of Company Directors.

PAUL BATES

BA, Grad Dip Information Mgt, Dip Leadership and Mgt, MBA

General Manager, Operations

Paul was appointed General Manager Operations on 1 December 2017.

Paul has substantial maritime operations experience. Prior to his appointment at ANI, Paul was General Manager - Infrastructure of the Defence SA Techport Common User Facility (CUF), ensuring the successful delivery of the CUF and other contracted services to the AWD Program since 2009. From 2006, Paul was Project and Bid Manager for DMS Maritime Pty Ltd (now Serco Defence), leading a number of successful tenders for that company.

Paul holds a Master of Business Administration and is a graduate of the Australian Defence Force Academy. He served for 18 years in the Royal Australian Navy, holding a variety of operations roles both at sea and ashore.

PHIL CORNISH

B.Eng (Civil)

Project Director

Phil was appointed as Project Director for the OSDP on 15 January 2018, and is now also Project Director for the ONDP.

Phil has more than 30 years' experience in project and construction management of major infrastructure projects such as highway and major arterial roads, road and rail tunnels, public transport systems, marine structures and major transit systems for airports and railway stations.

Prior to joining ANI, Phil was Construction Manager for the $4B Westconnex M4 Project with Sydney Motorway Corporation, and previously filled senior management roles with a number of Australian construction companies.

ADELE FRASER

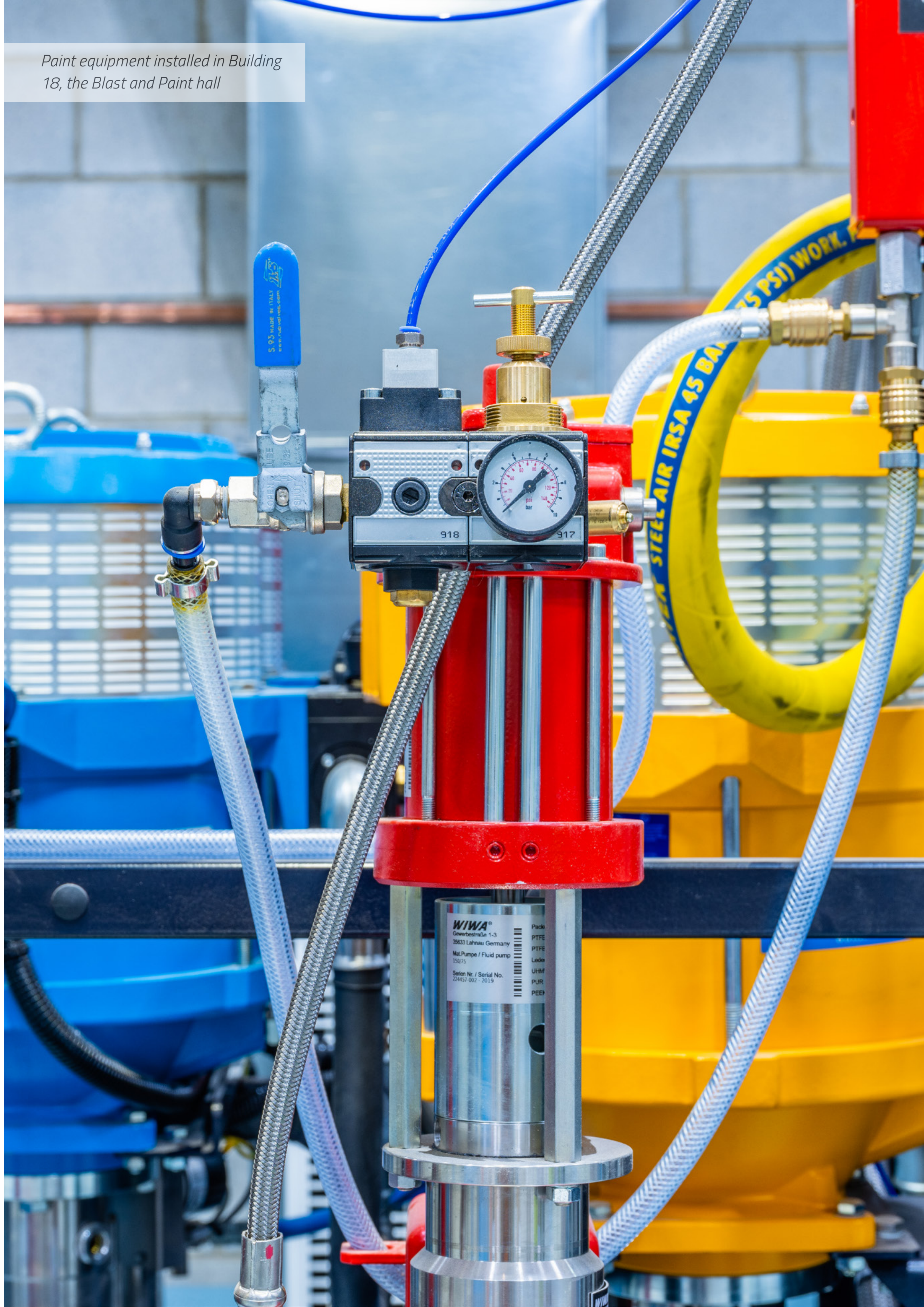
B.Comm (Hons), Grad Dip CA, FCA

General Manager, Finance

Adele was appointed as General Manager Finance in April 2020.

Adele is a chartered accountant with over 20 years' business experience and commenced at ANI in 2018 as Financial Controller. Prior to joining ANI, Adele was a Senior Manager in the Assurance business at PwC, a firm where she started her career as an undergraduate in South Africa and enjoyed a long career spanning many roles across two countries.

She has an honours degree in Financial Reporting, Auditing, Taxation and Management Accounting, a Graduate Diploma of Chartered Accounting and is a Fellow of Chartered Accountants Australia and New Zealand.



Paint equipment installed in Building 18, the Blast and Paint hall

Your directors present their report, together with the financial report of Australian Naval Infrastructure Pty Ltd (ANI or the Company), for the year ended 30 June 2020 and the auditor's report thereon.

Directors

The following were directors of the Company during the whole of the financial year and up to the date of this report:

- Lucio Di Bartolomeo
- Peter Iancov
- Janice van Reyk
- Jeremy Schultz
- Alan (Jim) Whalley

The following were directors of the Company for part of the financial year:

- David Knox (retired 3 April 2020)
- Andrew Seaton (appointed 6 April 2020)

Principal activities

The Company holds property, plant and equipment at the Osborne Naval Shipyard in support of the Commonwealth's continuous naval shipbuilding program.

Review of operations

Revenue of $18.560 million was $1.103 million (5.6%) lower than the previous financial year due primarily to reduced lease income following the completion of the Air Warfare Destroyer (AWD) Program at Osborne on 31 March 2020.

Land, buildings and infrastructure were subject to an external valuation at 30 June 2020 resulting in a net revaluation increment in buildings and infrastructure of $51.993 million and a net revaluation decrement of $8.888 million in land. The buildings and infrastructure revaluation increment relates mainly to Common Use Infrastructure assets. Refer to Note 8 of the financial statement for further details.

Capital expenditure of $365.282 million was $118.040 million (47.7%) higher than the previous financial year reflecting a high level of activity on the Osborne South Development Project and the commencement of site works for the Osborne North Development Project.

The impacts of Covid-19 on ANI have been minimal. Restrictions on international travel have resulted in delays to some aspects of equipment installation and testing for the Osborne South shipyard. There have been no other impacts on ANI's operations.

Significant changes in the state of affairs

There were no significant changes in the Company's state of affairs during the financial year ended 30 June 2020.

Significant events after the balance sheet date

The directors are not aware of any matters or circumstances that have arisen between the end of the financial year and the date of this report including any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to significantly affect its operations, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Likely developments and expected results of operations

ANI has undertaken the Osborne South Development Project to significantly expand and upgrade the existing shipyard for the construction of major surface combatants. ANI has completed the main works elements of this project in readiness for the new shipyard to be handed over to ASC Shipbuilding Pty Ltd (ASCSB) for the construction of the Hunter Class frigates from July 2020. This will result in a significant increase in the Company's revenue.

ANI is progressing the Osborne North Development Project for the design and construction of the submarine construction yard to support the construction of the Attack Class submarines. Construction activities commenced in the first half of FY19/20 for the Phase 1 Works comprising the test facilities, which are expected to be progressively tenanted from 2022.

Dividends

No dividends have been paid or declared by ANI since the end of the previous financial year.

Environmental regulation

The operations of the Company are subject to environmental regulation under both Commonwealth and State legislation in relation to activities undertaken on site in South Australia. The Company is committed to achieving a high standard of environmental performance consistent with the requirements of AS/NZ ISO 14001. ANI's Common Use Infrastructure has accreditation for AS/NZ ISO 14001: Environmental Management Systems.

The Company has complied with all applicable environmental regulations and site-specific environmental licence requirements, and there have been no environmental incidents in the reporting period requiring official regulatory notification.

Directors' benefits

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than reimbursement of expenses and the aggregate amount of remuneration received or due and receivable by directors shown in the accounts) because of a contract made by the Company, or a related body corporate with the director or with a firm of which the director is a member, or with an entity in which the director has a substantial interest.

Indemnification and insurance of directors and officers

a. Indemnification

The Company has agreed to indemnify the current and previous directors and officers of the Company for all liabilities to another person (other than the Company or a related body corporate) that may arise in their capacity as directors and officers of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreements stipulate that the Company will meet, to the extent permitted by law, the full amount of any such liabilities, including costs and expenses.

b. Insurance premiums

Since the end of the previous financial year, the Company has paid insurance premiums in respect of directors' and officers' liability insurance contracts for current and former directors and officers, including executive officers of the Company and directors. The insurance premiums cover directors and officers for actual losses incurred in their capacity as directors and officers of the Company, which are not indemnified by the Company and which the director or officer becomes legally obligated to pay on account of certain claims made against him/her individually or otherwise. The terms of the insurance policy prohibit disclosure of the amounts of the premium payable.

Auditor's independence declaration

The auditor's independence declaration, as required under section 307C of the *Corporations Act 2001* (Cth), is set out on page 30.

This report is made in accordance with a resolution of directors.

LUCIO DI BARTOLOMEO
Chair

ANDREW SEATON
Managing Director

23 September 2020

This report covers the Company's Key Management Personnel (KMP) who have authority and responsibility for planning, directing and controlling the activities of the Company directly and indirectly throughout the year.

	Title	Term as KMP
Directors		
Lucio Di Bartolomeo	Independent, Non-Executive Chair	Full year
Peter Iancov	Independent, Non-Executive Director	Full year
Janice van Reyk	Independent, Non-Executive Director	Full year
Jeremy Schultz	Independent, Non-Executive Director	Full year
Alan (Jim) Whalley	Independent, Non-Executive Director	Full year
Senior executives		
Andrew Seaton [(1)]	Managing Director and Chief Executive Officer	Full year
David Knox [(2)]	Managing Director and Chief Executive Officer	Part year - Retired 3 April 2020
Paul Bates	General Manager Operations	Full year
Phil Cornish	Project Director	Full year
Adele Fraser	General Manager Finance	Part year - Appointed 6 April 2020
Sally McLennan	General Counsel and Company Secretary	Full year

(1) Andrew Seaton was appointed Managing Director and Chief Executive Officer on 6 April 2020. He was previously the Company's Chief Financial and Commercial Officer from 20 July 2017.

(2) David Knox retired as the Company's Managing Director and Chief Executive Officer on 3 April 2020.

Non-executive director fees

All non-executive directors of the Company are appointed by the Commonwealth Government through the Shareholder Ministers.

Fees for non-executive directors are set through the determinations of the Commonwealth Remuneration Tribunal, an independent statutory body overseeing the remuneration of key Commonwealth offices. The Company is obligated to comply with the Tribunal's determinations and plays no role in the consideration or determination of non-executive director fees.

Remuneration for non-executive directors for FY 2020 and FY 2019 is shown in the following table:

		Short-term benefits			Post-employment	Other long-term benefits		Termination benefits	Total remuneration
		Directors' fees	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits		
Non-executive directors		$	$	$	$	$	$	$	$
Lucio Di Bartolomeo	2020	119,180	-	-	11,322	-	-	-	130,502
	2019	121,245	-	-	11,518	-	-	-	132,763
Peter Iancov	2020	67,750	-	-	990	-	-	-	68,740
	2019	68,924	-	-	6,548	-	-	-	75,472
Janice van Reyk	2020	75,910	-	-	7,211	-	-	-	83,121
	2019	77,226	-	-	7,336	-	-	-	84,562
Jeremy Schultz	2020	67,750	-	-	-	-	-	-	67,750
	2019	66,420	-	-	-	-	-	-	66,420
Alan (Jim) Whalley	2020	59,590	-	-	5,661	-	-	-	65,251
	2019	60,623	-	-	5,759	-	-	-	66,382
Total non-executive directors	**2020**	**390,180**	**-**	**-**	**25,185**	**-**	**-**	**-**	**415,365**
	2019	**394,438**	**-**	**-**	**31,161**	**-**	**-**	**-**	**425,599**

Managing Director/Chief Executive Officer remuneration

The Company's Managing Director and Chief Executive Officer (MD & CEO) was appointed by the Commonwealth Government through the Shareholder Ministers.

The MD & CEO role has been declared by the Commonwealth Remuneration Tribunal as a Principal Executive Office (PEO) Band D under the *Remuneration Tribunal Act 1973* (Cth). The Company's MD & CEO remuneration has been determined and paid in accordance with the Remuneration Tribunal's guidance and comprised two components - total fixed remuneration (TFR) and at-risk performance pay (Short Term Incentive or STI).

The Company's MD & CEO for the period 1 July 2019 to 3 April 2020 was David Knox. TFR for that period was paid at the upper range limit of the Remuneration Tribunal's "Total Remuneration Reference Rate" (RR) for the office, and the MD & CEO was eligible for STI of up to a maximum of 20% of TFR.

The Company's MD & CEO from 6 April 2020 was Andrew Seaton. TFR for the period 6 April 2020 to 30 June 2020 was paid at the RR for the office, and the MD & CEO was eligible for STI of up to a maximum of 20% of TFR. For the period 1 July 2019 to 5 April 2020, Mr Seaton was a Senior Executive.

Senior executive remuneration

The Company's approach to remuneration is designed to attract and retain the right people with the right expertise to deliver on the Company's objectives and targets set out in its Corporate Plan. In particular, the Company's executive team is comprised of individuals with the breadth and depth of experience required to deliver on the Company's major projects and commercial outcomes, and to build a performance culture.

Remuneration of executive KMPs reporting to the MD & CEO (Senior Executives) is set by the MD & CEO and the Company's Board. For FY19/20, Senior Executive remuneration comprised TFR, and STI of up to a maximum of 20% of TFR.

TFR is set having regard to market factors, technical expertise, role scope and industry benchmarks, and has been informed by external benchmarking undertaken by remuneration consultants, AON Hewitt.

STI for the MD & CEO and Senior Executives is determined by the Company's Board having regard to company and individual performance in the achievement of the Company scorecard. The Company scorecard is set by the Board at the start of the financial year and is aligned to the measures in the Company's Corporate Plan endorsed annually by the Shareholder Ministers.

For FY 2020, performance was assessed against the following measures:

Deliverable	Weighting	Outcome
Corporate KPIs set out in Corporate Plan	15%	Achieved
Safety (no serious incidents)	15%	Achieved[1]
Operations availability	10%	Achieved
OSDP on schedule	20%	Substantially achieved[2]
OSDP on budget	5%	Achieved
OSDP modernisation readiness for construction	5%	Achieved
ONDP progressed to plan	15%	Achieved
Access arrangements agreed	10%	Achieved
Financial (EBITDA)	5%	Achieved

1 One low severity LTI

2 Construction was substantially complete by end March 2020, however some aspects of equipment installation and testing were delayed due to impacts of the Covid-19 pandemic.

Remuneration for the MD & CEO and Senior Executives for FY 2020 and FY 2019 is shown in the table below:

		Short-term benefits			Post-employment	Other long-term benefits		Termination benefits	Total remuneration
		Base Salary[(1)]	Bonuses	Other benefits and allowances	Superannuation contributions[(2)]	Long service leave[(3)]	Other long-term benefits		
Senior executives		$	$	$	$	$	$	$	$
Andrew Seaton[(4)]	2020	533,886	85,584	-	12,000	15,127	-	-	646,597
	2019	469,347	75,849	-	19,500	9,242	-	-	573,938
David Knox[(5)]	2020	446,271	72,889	-	19,245	(19,457)	-	-	518,948
	2019	558,798	91,392	-	20,531	15,499	-	-	686,220
Paul Bates	2020	244,531	46,391	-	25,995	7,647	-	-	324,564
	2019	238,554	41,811	-	26,192	14,722	-	-	321,278
Phil Cornish	2020	360,082	63,360	5,500	25,000	7,241	-	-	461,183
	2019	336,097	57,699	-	25,000	4,695	-	-	423,491
Adele Fraser[(6)]	2020	52,740	29,301	-	5,151	2,695	-	-	89,887
	2019	-	-	-	-	-	-	-	-
Sally McLennan	2020	278,252	50,842	-	25,000	6,954	-	-	361,049
	2019	265,468	46,473	-	25,000	5,334	-	-	342,275
Total executives	**2020**	**1,915,763**	**348,367**	**5,500**	**112,391**	**20,207**	**-**	**-**	**2,402,228**
	2019	**1,868,264**	**313,224**	**-**	**116,223**	**49,492**	**-**	**-**	**2,347,203**
Total KMP	**2020**	**2,305,942**	**348,367**	**5,500**	**137,576**	**20,207**	**-**	**-**	**2,817,593**
	2019	**2,262,702**	**313,224**	**-**	**147,384**	**49,492**	**-**	**-**	**2,772,802**

(1) Base salary includes accrued annual leave entitlements.

(2) Where annual superannuation contributions exceed $25,000 executives can elect to have some or all of the superannuation contributions above $25,000 paid as salary rather than superannuation.

(3) Long service leave amounts relate to the movement in the provision for long service leave during the relevant period, which is calculated in accordance with Australian Accounting Standards.

(4) Andrew Seaton was appointed MD & CEO on 6 April 2020. He was previously the Company's Chief Financial and Commercial Officer.

(5) David Knox retired as the Company's MD & CEO on 3 April 2020 and his base salary includes annual leave paid out on termination.

(6) Adele Fraser became a KMP on 6 April 2020. Her part-year remuneration for 2020 is shown.

ANI's Senior Executive Team at the OSDP

AUSTRALIAN NAVAL INFRASTRUCTURE PTY LTD

FINANCIAL REPORT 2019–20

AUDITOR'S INDEPENDENCE DECLARATION

In relation to my audit of the financial report of Australian Naval Infrastructure Pty Ltd for the year ended 30 June 2020, to the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) no contravention of any applicable code of professional conduct.

Australian National Audit Office

Scott Sharp
Executive Director

Delegate of the Auditor-General

Canberra

23 September 2020

The directors declare that, in the directors' opinion:

a. the financial statements and notes set out on pages 35 to 67 are in accordance with the *Corporations Act 2001* (Cth), including:

   i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

   ii. giving a true and fair view of the entity's financial position as at 30 June 2020 and of its performance for the year ended on that date, and

b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of directors.

LUCIO DI BARTOLOMEO	ANDREW SEATON
Chair	Managing Director
23 September 2020	

Australian National Audit Office

INDEPENDENT AUDITOR'S REPORT

To the members of Australian Naval Infrastructure Pty Ltd

Opinion

In my opinion, the financial report of Australian Naval Infrastructure Pty Ltd (the Company) for the year ended 30 June 2020 is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the year then ended; and

(b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

The financial report of the Company, which I have audited, comprises the following as at 30 June 2020 and for the year then ended:

- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Statement of Cash Flows;
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information; and
- Directors' Declaration.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the relevant ethical requirements for financial report audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

GPO Box 707 CANBERRA ACT 2601
38 Sydney Avenue FORREST ACT 2603
Phone (02) 6203 7300 Fax (02) 6203 7777

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office

Scott Sharp
Executive Director
Delegate of the Auditor-General
Canberra
23 September 2020

Works on Phase 1 of the Osborne North Development Project are progressing, with erection of steel and pre-cast panels on the CS-PIF well underway

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME / FOR THE YEAR ENDED 30 JUNE 2020

	Note	June 2020 $'000	June 2019 $'000
Revenue from continuing operations			
Facilities and service charges - revenue	5(a)	2,281	9,228
Lease income	5(a)	16,279	10,435
Interest income		585	1,696
		19,145	21,359
Depreciation and amortisation expense	5(b)	20,077	20,972
Utilities and statutory charges		1,907	1,946
Repairs and maintenance		1,078	943
Corporate costs		10,996	9,497
Finance (income) / expense	14(d)	(14)	487
Gain on debt restatement	14(d)	(2,278)	(818)
Revaluation decrement - land, buildings and infrastructure	8(a)	6,752	-
Loss/(gain) on disposal of property, plant and equipment		4,103	(4)
Loss before income tax		(23,476)	(11,664)
Income tax benefit	6(b)	5,381	3,427
Loss for the period		**(18,095)**	**(8,237)**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Gain on revaluation of land, buildings and infrastructure	8(a)	49,857	-
Income tax relating to these items	6(d)(ii)	(14,957)	-
Other comprehensive income for the period, net of tax		**34,900**	-
Total comprehensive income / (loss) for the period		**16,805**	**(8,237)**
Loss is attributable to:			
Owners of Australian Naval Infrastructure Pty Ltd		(18,095)	(8,237)
Total comprehensive income / (loss) of the period is attributable to:			
Owners of Australian Naval Infrastructure Pty Ltd		16,805	(8,237)

The statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION / AS AT 30 JUNE 2020

	Note	June 2020 $'000	June 2019 $'000
ASSETS			
Current assets			
Cash and cash equivalents	7(a)	57,144	96,326
Trade and other receivables	7(b)	4,828	6,336
Prepayments	7(c)	43,834	10,390
Current tax receivable		-	485
Total current assets		105,806	113,537
Non-current assets			
Property, plant and equipment	8(a)	1,146,638	807,747
Total non-current assets		1,146,638	807,747
Total assets		1,252,444	921,284
LIABILITIES			
Current liabilities			
Trade and other payables	7(d)	16,721	31,103
Non interest-bearing liabilities	7(e)	-	15,413
Lease liability	7(f)	258	-
Provisions	8(b)	1,226	989
Other current liabilities		1,086	1,038
Total current liabilities		19,291	48,543
Non-current liabilities			
Deferred tax liabilities	6(d)	37,725	28,115
Non interest-bearing liabilities	7(e)	13,121	4
Lease liability	7(f)	21	-
Provisions	8(b)	113	83
Total non-current liabilities		50,980	28,202
Total liabilities		70,271	76,745
Net assets		**1,182,173**	**844,539**
EQUITY			
Share capital	10(a)	1,188,423	867,673
Revaluation surplus	10(b)	65,939	31,039
Accumulated losses	10(c)	(72,189)	(54,173)
Total equity		**1,182,173**	**844,539**

The statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY / FOR THE YEAR ENDED 30 JUNE 2020

	Share capital $'000	Revaluation surplus $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2018	**566,223**	**31,039**	**(45,936)**	**551,326**
Loss for the year	-	-	(8,237)	(8,237)
Total comprehensive income for the year	-	-	(8,237)	(8,237)
Transactions with owners in their capacity as owners				
Contributions of equity	301,450	-	-	301,450
Balance at 30 June 2019	**867,673**	**31,039**	**(54,173)**	**844,539**
Balance at 1 July 2019	**867,673**	**31,039**	**(54,173)**	**844,539**
Adjustment to opening balance				
AASB 16 transition - lease incentive to accumulated losses	-	-	113	113
Income tax relating to these items	-	-	(34)	(34)
Adjusted opening balance at 1 July 2019	867,673	31,039	(54,094)	844,618
Loss for the year	-	-	(18,095)	(18,095)
Revaluation of land, buildings and infrastructure	-	49,857	-	49,857
Income tax relating to these items	-	(14,957)	-	(14,957)
Total comprehensive income for the year	-	34,900	(18,095)	16,805
Transactions with owners in their capacity as owners				
Contributions of equity	320,750	-	-	320,750
Balance at 30 June 2020	**1,188,423**	**65,939**	**(72,189)**	**1,182,173**

The statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS / FOR THE YEAR ENDED 30 JUNE 2020

	Note	June 2020 $'000	June 2019 $'000
Cash flows from operating activities			
Cash receipts from customers		32,125	31,771
Payments to suppliers and employees		(27,109)	(22,296)
Net cash inflow from operating activities	7(a)	**5,016**	**9,475**
Cash flows from investing activities			
Payments for property, plant and equipment		(365,282)	(247,242)
Proceeds from sale of property, plant and equipment		-	92
Interest received		585	1,696
Net cash outflow from investing activities		**(364,697)**	**(245,454)**
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities	10(a)	320,750	301,450
Repayment of lease liability	16(e)	(248)	-
Interest paid		(3)	-
Net cash inflow from financing activities		**320,499**	**301,450**
Net increase / (decrease) in cash and cash equivalents		(39,182)	65,471
Cash and cash equivalents at the beginning of the financial year		96,326	30,855
Cash and cash equivalents at the end of the financial year	7(a)	**57,144**	**96,326**

The above statement of cash flows should be read in conjunction with the accompanying notes.

1 ABOUT THIS REPORT

Australian Naval Infrastructure Pty Ltd is a company incorporated and domiciled in Australia. It is wholly owned by the Commonwealth Government.

The Company is a for-profit entity for the purpose of preparing the financial report.

2 BASIS OF PREPARATION

(a) Statement of compliance

This general purpose financial report has been prepared in accordance with:

- Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB); and
- The *Corporations Act 2001 (Cth).*

The financial statements of the Company also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(b) Historical cost convention

These financial statements have been prepared under the historical cost basis, except for the following:

- land, buildings and infrastructure - measured at fair value; and
- financial assets and liabilities (including derivative instruments) - measured at fair value.

(c) Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates or judgements which are material or have the potential to be material to the financial report are found in the following notes:

Accounting estimates and judgements	Note
Fair value of land, buildings and infrastructure	8

(d) Significant accounting policies

Accounting policies are selected and applied in a manner ensures that the resulting financial information satisfies the concepts of relevance and reliability. Unless otherwise stated, the Company has consistently applied the accounting policies to all periods presented in these financial statements.

Significant accounting policies are contained in the notes to the financial statements to which they relate and Note 16 (Other significant accounting policies).

The Company has initially applied AASB 16 (refer Note 16(e)) from 1 July 2019. Due to the transition methods chosen by the Company in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards. The effect of initially applying these standards has impacted disclosure and presentation only.

3 FUNCTIONAL AND PRESENTATION CURRENCY

The Company's financial statements are presented in Australian dollars, which is the Company's functional currency. The Company is of a kind referred to in *ASIC legislative Instrument 2016/191* dated 1 April 2016 and, in accordance with the Legislative Instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

4 SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

There were no significant changes in ANI's business during the financial period ended 30 June 2020.

5 FINANCIAL PERFORMANCE

(a) Revenue

	June 2020 $'000	June 2019 $'000
Revenue from continuing operations		
Facilities and services charges	2,281	9,228
Lease income	16,279	10,435
Total	**18,560**	**19,663**

Revenue recognition

Under AASB 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

The following table summarises the Company's approach to each relevant revenue stream:

Revenue stream	Recognition	Applicable accounting standard
Facilities and services charge	Annual priority access fee revenue from ASC AWD Shipbuilder Pty Ltd (ASC AWD) is recognised on a straight-line basis over the period to which the charge related. Common Use Infrastructure (CUI) revenue (e.g. commercial dockings) is recognised at a point in time, upon satisfaction of performance obligations.	AASB 15
Lease income	Annual commercial property rental charges are recognised on a straight-line basis over the period to which the charge relates. Licenses with ASC AWD, Luerssen Australia Pty Ltd (Luerssen) and ASCSB are classified as operating leases, where the Company is the lessor. Income from ASC Pty Ltd comprises a capital charge and a pass-through of depreciation. The capital charge is recognised based on a percentage of the depreciated historic cost of critical infrastructure assets that have not been funded by a program or project and the depreciation charge is recognised based on the depreciation of critical infrastructure assets provided by the Company. Both this capital charge and depreciation charge are treated as lease income under AASB 16.	AASB 16

5 FINANCIAL PERFORMANCE (cont)

(b) Other income and expense items

Items included in loss before tax

	June 2020 $'000	June 2019 $'000
Depreciation		
Buildings	13,757	14,735
Plant and equipment	6,067	6,237
Right of use asset	253	-
	20,077	20,972
Finance (income) / expense		
Net finance (income) / expense	(14)	487
Gain on debt restatement		
Gain on deferred purchase obligation restatement	(2,278)	(818)

Accounting policy

Item	Policy
Depreciation	Accounting policies for depreciation and amortisation are described in Note 8(a).
Finance (income) / expense	Net finance (income) / expense incurred during the financial year is taken to profit and loss.
Gain on debt restatement	Gain on remeasurement of financial liability is taken to profit and loss. Refer Note 14(d).

6 TAXATION

(a) Income tax (benefit)/expense

Accounting policy

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Expense	Policy
Current tax	Represents the expected tax payable on taxable income for the year, using tax rates enacted or substantially enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.
Deferred tax	Represents the expense relating to future tax consequences of all transactions undertaken in the current year regardless of when their tax impact may occur.

6 TAXATION (cont)

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	June 2020 $'000	June 2019 $'000
Loss from continuing operations before income tax	(23,476)	(11,664)
Tax at the Australian tax rate of 30.0% (2019 - 30.0%)	7,043	3,499
Non-deductible expenses	(1,197)	(127)
Tax adjustments relating to prior years	-	55
Restatement of deferred balances	(465)	-
Income tax benefit	5,381	3,427

(c) Amounts recognised directly in equity

Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity.

	June 2020 $'000	June 2019 $'000
Net deferred tax on revaluation	14,957	-

(d) Deferred tax balances

Net position as presented in the statement of financial position:

	June 2020 $'000	June 2019 $'000
Net deferred tax liabilities		
Deferred tax assets	22,459	18,909
Deferred tax liabilities	(60,184)	(47,024)
	(37,725)	(28,115)

6 TAXATION (cont)

(d) Deferred tax balances (cont)

(i) Deferred tax assets

	June 2020 $'000	June 2019 $'000
The balance comprises temporary differences attributable to:		
Property, plant and equipment	14,116	15,491
Tax losses carried forward	7,704	3,065
Sundry items	639	353
	22,459	18,909

Movements	Property, plant and equipment $'000	Tax losses $'000	Other items $'000	Total $'000
At 1 July 2018	15,454	884	132	16,470
Charged/(credited)				
- to profit or loss	37	2,181	221	2,439
- to other comprehensive income	-	-	-	-
At 30 June 2019	15,491	3,065	353	18,909
At 1 July 2019	15,491	3,065	353	18,909
Adjusted on adoption of AASB 16	(34)	-	-	(34)
Adjusted opening balance at 1 July 2019	15,457	3,065	353	18,875
Charged/(credited)				
- to profit or loss	(1,341)	4,639	286	3,584
- to other comprehensive income	-	-	-	-
At 30 June 2020	14,116	7,704	639	22,459

6 TAXATION (cont)

(d) Deferred tax balances (cont)

(ii) Deferred tax liabilities

	June 2020 $'000	June 2019 $'000
The balance comprises temporary differences attributable to:		
Property, plant and equipment	60,043	46,908
Sundry items	141	116
	60,184	47,024

Movements	Property, plant and equipment $'000	Other items $'000	Total $'000
At 1 July 2018	47,895	117	48,012
Charged/(credited)			
- profit or loss	(987)	(1)	(988)
- to other comprehensive income	-	-	-
At 30 June 2019	46,908	116	47,024
At 1 July 2019	46,908	116	47,024
Charged/(credited)			
- profit or loss	(1,822)	25	(1,797)
- to other comprehensive income	14,957	-	14,957
At 30 June 2020	60,043	141	60,184

(iii) *Net deferred tax*

	June 2020 $'000	June 2019 $'000
The net balance comprises temporary differences attributable to:		
Property, plant and equipment	(45,927)	(31,417)
Tax losses	7,704	3,065
Other items	498	237
	(37,725)	(28,115)

7 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(a) Cash and cash equivalents

	June 2020 $'000	June 2019 $'000
Current assets		
Cash and cash equivalents	57,144	96,326

Cash and cash equivalents include cash at bank and on hand as well as deposits held at call with financial institutions. The Company's exposure to interest rate risk is discussed in Note 9(d).

Reconciliation of loss after income tax to net cash inflow from operating activities

	June 2020 $'000	June 2019 $'000
Loss for the year	(18,095)	(8,237)
Adjustment for:		
Depreciation and amortisation	20,077	20,972
Net finance income	(14)	(331)
Interest income	(585)	(1,696)
Income tax benefit	(5,381)	(3,427)
Loss/(gain) on disposal of non-current assets	4,103	(4)
Revaluation decrement - land, buildings and infrastructure	6,752	-
Change in operating assets and liabilities		
Decrease/(increase) in trade and other debtors	820	(1,504)
(Decrease)/increase in trade creditors and other liabilities	(3,148)	3,333
Increase in prepayments	(32)	(126)
Movement in current and deferred taxes	519	495
Net cash inflow from operating activities	5,016	9,475

Reconciliation of movements of liabilities and equity to cash flows arising from financing activities

	Lease liabilities $'000	Share capital $'000	Total $'000
Year ended 30 June 2020			
Proceeds from issue of share capital	-	320,750	320,750
Repayment of lease liability	(248)	-	(248)
Interest paid	(3)	-	(3)
Net cash inflow from financing activities	(251)	320,750	320,499
Year ended 30 June 2019			
Proceeds from issue of share capital	-	301,450	301,450
Repayment of lease liability	-	-	-
Interest paid	-	-	-
Net cash inflow from financing activities	-	301,450	301,450

7 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (cont)

(b) Trade and other receivables

	June 2020 $'000	June 2019 $'000
Current assets		
Trade receivables	3,445	3,869
Other receivables	1,383	2,467
	4,828	6,336

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit loss provision raised for doubtful debts. Trade receivables are generally due for settlement within 45 days. The expected credit loss provision was nil at 30 June 2020. (30 June 2019: $nil).

(c) Prepayments

	June 2020 $'000	June 2019 $'000
Current assets		
Advance on land acquisition	43,364	10,000
Other prepayments	470	390
	43,834	10,390

(d) Trade and other payables

	June 2020 $'000	June 2019 $'000
Current liabilities		
Trade payables	15,643	30,837
Other payables	1,078	266
	16,721	31,103

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid and are measured at amortised cost. The amounts are unsecured and are usually paid within 30 days of recognition.

7 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (cont)

(e) Borrowings

Non-interest-bearing liabilities

	June 2020 $'000	June 2019 $'000
Current		
Deferred purchase obligation	-	15,413
	-	15,413
Non-current		
Term loan	4	4
Deferred purchase obligation	13,117	-
	13,121	4

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(i) *Deferred purchase obligation*

As part of the AWD Program, ASC AWD and ASC Engineering Pty Limited, subsidiaries of ASC Pty Ltd at the time, entered into an agreement with the Commonwealth of Australia where the Commonwealth of Australia made a contribution to build a production facility required for the construction of the AWDs.

Under this arrangement, ASC AWD had an obligation to purchase the facility within three months of the acceptance of the last AWD by the Commonwealth at an amount equal to the lesser of the written down value of the facility at an agreed depreciation rate, and the fair market value determined by a licensed valuer. No loss is expected to be incurred in relation to this deferred purchase obligation. As of 26 March 2017, this obligation transferred to ANI as owner of the critical infrastructure of the Osborne South shipyard.

The financial liability was measured at fair value of $15.4 million at 30 June 2019, being the expected amount due on the estimated settlement date of 30 June 2020. On 29 July 2020, in a letter to ANI and ASC AWD, the Department of Defence clarified the term "Acceptance" to have the meaning: "means 28 November 2021, being the date that the Commonwealth expects to declare final acceptance of the last AWD."

The financial liability has therefore been revalued to $13.1 million at 30 June 2020 and reclassified from current to non-current liabilities, in accordance with AASB 9 F*inancial Instruments*.

(ii) *Term loan*

The term loan consists of an interest free 99-year loan to the Company from the Department of Manufacturing Industry, Small Business and Regional Development (SA), for expenditure on capital items and to assist with site development costs. The $0.2 million term loan is repayable in 2094 or at the option of the Company at any time prior to 2094. The term loan has been discounted to its present value of $0.004 million at 30 June 2020 (2019: $0.004 million) in accordance with AASB 9 *Financial Instruments.*

7 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (cont)

(f) Lease liability

Port Adelaide office lease	June 2020 $'000	June 2019 $'000
Current	(258)	-
Non-current	(21)	-
	(279)	-

The Port Adelaide office lease is accounted for under AASB 16 *Leases*. The adoption of this standard and transition impacts are further discussed in Note 16(e)(i).

8 NON-FINANCIAL ASSETS AND LIABILITIES

(a) Property, plant and equipment

	June 2020 $'000	June 2019 $'000
Freehold land, at valuation	76,195	83,693
Freehold buildings and infrastructure		
At valuation	374,976	433,229
Accumulated depreciation	-	(104,741)
	374,976	328,488
Plant and equipment		
At historical cost	105,043	105,651
Accumulated depreciation	(19,840)	(14,214)
	85,203	91,437
Right-of-use lease asset		
At cost	527	-
Accumulated depreciation	(253)	-
	274	-
Assets under construction		
At cost	609,990	304,129
Total property, plant and equipment	1,146,638	807,747

As summarised in the following table, a revaluation decrement of $8.888 million was recorded against the balance sheet carrying value of land while the carrying value of buildings and infrastructure was increased by a revaluation increment of $51.993 million.

Broadly speaking, the net $8.888 million land revaluation decrement relates to a reclassification between land and buildings on the Ferrocut site. When the property was purchased in FY 2018, it was expected that the building would be demolished, and the purchase price was therefore heavily weighted towards the land component. A decision was subsequently made to retain the building as part of the new submarine yard, which has shifted the value towards the building component.

8 NON-FINANCIAL ASSETS AND LIABILITIES (cont)

(a) Property, plant and equipment (cont)

The revaluation increment of net $51.993 million on buildings and infrastructure relates mainly to:

- An increase of $11.6 million in the value of the Ferrocut building, as described above
- An increase in the value of CUI yard infrastructure of $30.2 million

The remaining net increase is spread over 65 individual building and infrastructure asset lines.

	Freehold land[1] $'000	Freehold buildings and infrastructure[2] $'000	Plant and equipment $'000	Right-of-use lease asset $'000	Assets under construction $'000	Total $'000
Year ended 30 June 2019						
Opening net book amount	79,943	338,789	95,971	-	59,077	573,780
Additions	3,750	4,446	1,315	-	245,516	255,027
Transfers	-	-	464	-	(464)	-
Depreciation charge	-	(14,735)	(6,237)	-	-	(20,972)
Disposals	-	(12)	(76)	-	-	(88)
Closing net book amount	83,693	328,488	91,437	-	304,129	807,747
Year ended 30 June 2020						
Opening net book amount	83,693	328,488	91,437	-	304,129	807,747
Revaluation increment	4,005	58,418	-	-	-	62,423
Revaluation decrement	(12,893)	(6,425)	-	-	-	(19,318)
Additions	1,390	8,710	3,391	527	305,948	319,966
Transfers	-	122	(35)	-	(87)	-
Depreciation charge	-	(13,757)	(6,067)	(253)	-	(20,077)
Disposals	-	(580)	(3,523)	-	-	(4,103)
Closing net book amount	76,195	374,976	85,203	274	609,990	1,146,638

Revaluation of land, buildings and infrastructure at 30 June 2020	To revaluation surplus (pre tax) $'000	To profit and loss $'000	Net revaluation (decrement)/ increment $'000
Freehold land - revaluation decrement[1]	(2,620)	(6,268)	(8,888)
Freehold buildings and infrastructure - revaluation increment / (decrement)[2]	52,477	(484)	51,993
	49,857	(6,752)	43,105

8 NON-FINANCIAL ASSETS AND LIABILITIES (cont)

(a) Property, plant and equipment (cont)

(i) *Assets in the course of construction*

The carrying value of property, plant and equipment includes $497 million (2019: $287 million) of expenditure on assets which are in the course of construction in relation to the OSDP, $112 million (2019: $17 million) in relation to the ONDP and $1.7 million (2019: $nil) in relation to precinct projects, which are to be funded through Company-generated cashflows and capital injections from Shareholders, under an equity funding agreement. As these assets are not ready for use, no depreciation is charged on these assets.

(ii) *Recognition and measurement*

Land and buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Costs that relate directly to a project are capitalised to Assets under construction until such time as the project is commissioned and depreciation commences. Costs that relate directly to a specific project may include contractor costs, labour costs of project staff, utilities, statutory charges, costs of materials used in construction, costs of hiring plant and equipment and project related travel.

Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Freehold buildings and infrastructure: 5–60 years
- Plant and equipment: 3–40 years

The cost of an individual item of property, plant and equipment with an acquisition cost of less than $1,000 will be considered a minor equipment purchase and will therefore not be depreciated but expensed at acquisition.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These amounts are included in the statement of comprehensive income. When revalued assets are sold, it is the Company's policy to transfer any amounts included in revaluation surplus in respect of those assets to retained earnings.

8 NON-FINANCIAL ASSETS AND LIABILITIES (cont)

(a) Property, plant and equipment (cont)

(iii) *Impairment*

The carrying amount of the Company's assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(iv) *Valuations of land and buildings*

An independent desktop valuation of all land, buildings and infrastructure of the Company was carried out by Griffin Valuation Advisory (Griffin) as at 30 June 2020, with the exception of assets acquired during the course of the reporting period. The fair value of the land is based on recent market transactions on arm's length terms and the fair value of buildings is based on the depreciated replacement cost approach.

The final report from Griffin indicates that the real estate market contains a significant amount of market uncertainty, particularly given the impact of the Covid-19 pandemic. The fair values provided to ANI at 30 June 2020 therefore contain a corresponding level of volatility.

(v) *Carrying amounts that would have been recognised if land and buildings were stated at cost*

If freehold land and buildings were stated on the historical cost basis, the amounts would be as follows:

	June 2020 $'000	June 2019 $'000
Freehold land		
Cost	56,304	54,913
Buildings		
Cost	335,763	327,734
Accumulated depreciation	(111,713)	(101,458)
Net book amount	224,050	226,276

(vi) *Non-current assets pledged as security*

There are no non-current assets pledged as security by the Company.

(vii) *Capital expenditure commitments*

At reporting date, the Company has capital expenditure commitments of $44 million (2019: $242 million). Included in this amount is the last $2 million payable to a vendor as part of a property acquisition. $43.464 million of milestone payments have already been paid and are recorded as an 'Advance on land acquisition' in prepayments. Refer Note 7(c).

8 NON-FINANCIAL ASSETS AND LIABILITIES (cont)

(b) Provisions

A provision is recognised in the statement of financial position when the entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

	June 2020 $'000	June 2019 $'000
Employee benefits		
Current	1,226	989
Non-current	113	83
	1,339	1,072

(i) *Short-term employee benefit obligations*

Liabilities for wages and salaries, including non-monetary benefits and leave entitlements expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. All other short-term employee benefit obligations are presented as payables.

(ii) *Other long-term employee benefit obligations*

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of corporate bonds with terms and currency that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(c) Recognised fair value measurements

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis:

Land and buildings

(i) *Fair value hierarchy*

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

8 NON-FINANCIAL ASSETS AND LIABILITIES (cont)

(c) Recognised fair value measurements (cont)

(i) *Fair value hierarchy (cont)*

The following table presents the Company's assets and liabilities measured and recognised at fair value as at 30 June 2020 and 30 June 2019.

Recurring fair value measurements

	Notes	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 June 2019					
Non-financial assets					
Freehold land	8(a)	-	83,693	-	83,693
Freehold buildings and infrastructure	8(a)	-	-	328,490	328,490
Total non-financial assets		-	83,693	328,488	412,181
30 June 2020					
Non-financial assets					
Freehold land	8(a)	-	76,195	-	76,195
Freehold buildings and infrastructure	8(a)	-	-	374,976	374,976
Total non-financial assets		-	76,195	374,976	451,171

Disclosed fair values

The carrying amounts of trade receivables, trade payables and interest and non-interest-bearing liabilities are approximately their fair values.

(ii) *Valuation techniques used to determine level 2 and level 3 fair values*

The Company obtains independent valuations for its land and buildings (classified as property, plant and equipment) at least triennially. At the end of each reporting period, management updates their assessment of the fair value of each property, taking into account the most recent independent valuations. Management determines a property's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties. The level 2 fair value of land has been derived using the sales comparison approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach for land and buildings is price per square metre. All resulting fair value estimates for buildings are included in level 3 as their level 2 inputs are adjusted for depreciation which is an unobservable input.

8 NON-FINANCIAL ASSETS AND LIABILITIES (cont)

(c) Recognised fair value measurements (cont)

(iii) *Fair value measurements using significant unobservable inputs (level 3)*

The following table presents the changes in level 3 items for the periods ended 30 June 2020 and 30 June 2019 for recurring fair value measurements:

	Freehold Buildings and Infrastructure $'000
Opening balance 1 July 2018	338,789
Additions	4,446
Revaluation increment	-
Depreciation and impairment	(14,735)
Disposals	(12)
Transfers	-
Closing balance 30 June 2019	328,488
Opening balance 1 July 2019	328,488
Additions	8,710
Revaluation increment	58,418
Depreciation and impairment	(20,182)
Disposals	(580)
Transfers	122
Closing balance 30 June 2020	374,976

(iv) *Valuation inputs and relationships to fair value*

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements. Refer Note 8(c)(ii) above for the valuation techniques adopted.

	Fair value at			Range of inputs		
Description	**June 2020 $'000**	**30 June 2019 $'000**	**Unobservable inputs**	**2020**	**2019**	**Relationship of unobservable inputs to fair value**
Buildings and infrastructure	374,976	328,488	Depreciation rates	3.25%	3.20%	The higher the depreciation rate, the lower the fair value

9 FINANCIAL AND CAPITAL RISK MANAGEMENT

(a) Financial risk management

The Company's activities expose it to a variety of financial risks. This note presents information about the Company's exposure to financial risks, the objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board has tasked the Audit and Risk Committee to oversee how management monitors compliance with the Company's financial risk management policies and procedures. It also reviews the adequacy of the financial risk management framework of the Company.

	June 2020 $'000	June 2019 $'000
Financial assets		
Cash and cash equivalents	57,144	96,326
Trade and other receivables	4,828	6,336
	61,972	102,662
Financial liabilities		
Trade and other payables	16,721	31,103
Non-interest-bearing liabilities	13,121	15,417
	29,842	46,520

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities.

(i) *Trade and other receivables*

The Company's credit exposures to customers, including outstanding receivables and committed transactions, are minimal. The majority of current year income is from three customers, two of which are ASC Pty Ltd and its wholly owned subsidiary, ASC AWD. ASC Pty Ltd is a Government Business Enterprise owned by the Commonwealth of Australia which has a "AAA" credit rating from Standard & Poor's. The Company therefore has immaterial exposure to credit risk in its operations.

(ii) *Cash and cash equivalents*

The Company limits its exposure to credit risk by placing its cash with a counterparty that has a credit rating of "Aa3" from Moody's. Given the high credit rating, management does not expect the counterparty to fail to meet its obligations.

9 FINANCIAL AND CAPITAL RISK MANAGEMENT (cont)

(b) Credit risk (cont)

(iii) Guarantees

The Company has not issued any financial guarantees to any party during the period.

(iv) *Financial securities received*

The Company has received securities over assets under construction relating to the OSDP and ONDP. The Company has not received financial securities from any other parties during the period.

(v) *Recognised financial instruments*

The credit risk on financial assets of the Company which have been recognised on the statement of financial position, is the carrying amount, net of any provision for doubtful debts as summarised below.

	June 2020 $'000	June 2019 $'000
Trade receivables		
AAA (Commonwealth of Australia)	3,074	3,529
Counterparties without an external credit rating	1,754	2,807
	4,828	6,336
Aa3- rated cash at bank		
Cash and cash equivalents	57,144	96,326
	57,144	96,326

(vi) Off statement of financial position financial instruments

The Company has not entered into any off statement of financial position financial instruments during the period.

9 FINANCIAL AND CAPITAL RISK MANAGEMENT (cont)

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below analyses the Company's financial liabilities into relevant maturity groups based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities	Less than 6 months $'000	6 - 12 months $'000	1 - 2 years $'000	2 - 5 years $'000	Over 5 years $'000	Total $'000	Carrying amount $'000
At 30 June 2020							
Non-derivatives							
Trade and other payables	16,721	-	-	-	-	16,721	16,721
Lease liability	11	11	258	-	-	279	279
Non-interest-bearing	-	-	13,135	-	200	13,335	13,121
Total non-derivatives	16,732	11	13,393	-	200	30,335	30,121
At 30 June 2019							
Non-derivatives							
Trade and other payables	31,103	-	-	-	-	31,103	31,103
Lease liability	-	-	-	-	-	-	-
Non-interest-bearing	-	15,413	-	-	200	46,716	15,417
Total non-derivatives	31,103	15,413	-	-	200	77,819	46,520

9 FINANCIAL AND CAPITAL RISK MANAGEMENT (cont)

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) *Interest rate risk*

As the Company holds cash in bank and no term interest-bearing assets, its exposure to changes in market interest rates is minimal.

The exposures of the Company to interest rate risk as well as the effective weighted average interest rate for classes of financial assets and financial liabilities are set out below:

	30 June 2020	Effective interest rate	30 June 2019	Effective interest rate
Financial assets	$'000		$'000	
Cash and cash equivalents	57,144	0.99%	96,326	1.78%
Trade and other receivables	4,828	0%	6,336	0%
Total financial assets	**61,972**		**102,662**	
Financial liabilities				
Trade and other payables	16,721	0%	31,103	0%
Non-interest-bearing liabilities	13,121	0%	15,417	0%
Lease liability	279	1.02%	-	
Total financial liabilities	**30,121**		**46,520**	

The effective interest rate of the lease liability reflects the effective discount rate applied in calculating the present value.

(ii) *Sensitivity*

There are no material changes or sensitivities related to market risk.

(iii) *Capital risk management*

The objectives of the Company in managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for its Shareholder and benefits for other stakeholders and to sustain future development of the business. The Company monitors the return on capital. There were no changes in the approach adopted by the Company in capital management during the year.

10 EQUITY

(a) Share capital

Ordinary shares are classified as equity.

(i) *Movements in ordinary share*

	Number of shares	$'000
Opening balance 1 July 2018	566,222,826	566,223
Equity injection from Shareholders	301,450,000	301,450
Balance 30 June 2019	867,672,826	867,673
Opening balance 1 July 2019	867,672,826	867,673
Equity injection from Shareholders	320,750,000	320,750
Balance 30 June 2020	1,188,422,826	1,188,423

(ii) *Recognition and measurement*

Issued and paid up capital is recognised at the fair value of consideration received by the Company. Transactions with the Commonwealth Government, as owner that are designated as equity injections for the financial year are recognised directly in contributed equity and do not form part of the Company's comprehensive income in the financial year.

(iii) *Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

No dividends were declared or paid during the period (2019: Nil).

10 EQUITY (cont)

(b) Revaluation surplus

	Revaluation Surplus
	$'000
Opening balance at 1 July 2018	31,039
Revaluation - gross	-
Deferred tax	-
Other comprehensive income	-
Closing balance at 30 June 2019	31,039
Opening balance at 1 July 2019	31,039
Revaluation - gross	49,857
Deferred tax	(14,957)
Other comprehensive income	34,900
Closing balance at 30 June 2020	65,939

The property, plant and equipment revaluation surplus is used to record increments and decrements on the revaluation of land and buildings. Further detail of current year impacts of the 30 June 2020 external valuation is outlined in Note 8(a).

	June 2020 $'000	June 2019 $'000
Revaluation surplus		
Land	1,544	7,685
Buildings and infrastructure	64,395	23,354
	65,939	31,039

(c) Accumulated losses

Movements in accumulated losses were as follows:

	June 2020 $'000	June 2019 $'000
Opening balance 1 July	(54,173)	(45,936)
IFRS 16 transition - lease incentive, net of tax	79	-
Net (loss) / profit for the period	(18,095)	(8,237)
Closing balance 30 June	(72,189)	(54,173)

NOTES TO THE FINANCIAL STATEMENTS cont / 30 JUNE 2020

11 ECONOMIC DEPENDENCY

The normal trading activities of the Company depend on the access charge revenue and lease income arising from the provision of critical infrastructure assets for the maintenance of the Collins Class submarines and construction of the AWDs and OPVs. The dependencies existed for all of the financial year for the maintenance of the Collins Class submarines and the construction of the OPVs, with the AWD Program completing in March 2020. Access charge revenue from ASCSB relating to the construction of the Hunter Class frigates commenced from 1 April 2020 and will increase over the next financial year in line with the staged occupancy of buildings in the greenfield and brownfield yards.

The Company is dependent on the Commonwealth for funding of major projects, being the OSDP and the ONDP for the 2020 financial year and the ONDP for the foreseeable future.

12 CONTINGENT ASSET

In February 2018 the Company paid a Construction Industry Training Board (CITB) levy of $962,500 relating to the OSDP and a further $301,388 for the ONDP in May 2019. The Company has recently been notified by the CITB that these levies may be eligible for a refund due to construction having taken place on Commonwealth land. The Company is yet to receive formal notification of the refund and has therefore not adjusted the accounts at 30 June 2020. The adjustment, had it been passed, would be an increase (debit) to sundry debtors and a decrease (credit) to construction in progress of $1.264 million.

13 EVENTS OCCURRING AFTER THE REPORTING PERIOD

There are no other matters that have arisen between the end of the financial year and the date of this report including any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect its operations, the results of those operations, or the state of affairs of the Company in subsequent financial years.

14 RELATED PARTY TRANSACTIONS

(a) Key management personnel compensation

Disclosures relating to ANI's key management personnel are set out below:

	June 2020 $	June 2019 $
Short-term employee benefits	2,659,810	2,575,926
Post-employment benefits	137,576	147,384
Other long-term benefits	20,207	49,492
	2,817,593	2,772,802

Detailed remuneration disclosures are provided in the Remuneration Report on pages 25 to 29.

14 RELATED PARTY TRANSACTIONS (cont)

(b) Directors

The following were directors of the Company during the whole of the financial year:

- Lucio Di Bartolomeo
- Peter Iancov
- Janice van Reyk
- Jeremy Schultz
- Alan (Jim) Whalley

The following were directors of the Company for part of the financial year:

- David Knox (retired 3 April 2020)
- Andrew Seaton (appointed 6 April 2020)

(c) Other related parties

(i) *Australian Government Ministers*

There have been no transactions with any Australian Government Ministers during the financial year.

(ii) *Shareholders*

The following transactions occurred with related parties:

	June 2020 $	June 2019 $
Equity injections		
Equity injections from the Commonwealth Government	320,750,000	301,450,000

(d) Loan from the Commonwealth of Australia and its related parties

	June 2020 $	June 2019 $
Deferred purchase obligation		
Balance at beginning of period	15,412,644	15,743,591
Fair value adjustment		
Finance (income) / expense	(17,053)	487,424
Remeasurement of financial liability	(2,277,985)	(818,371)
	(2,295,038)	(330,947)
Closing balance at end of period	13,117,606	15,412,644

Refer to Note 7(e)(i) for further background on this financial liability.

NOTES TO THE FINANCIAL STATEMENTS cont / 30 JUNE 2020

15 REMUNERATION OF AUDITORS

During the year, the following fees were paid or payable for assurance and other non-assurance related services:

	June 2020 $	June 2019 $
Auditors of the Company - ANAO (contracted to KPMG)		
Audit and review of financial statements	88,000	87,700
Total services provided by ANAO	88,000	87,700
Other Auditors		
Other assurance services - KPMG	3,105	-
Total services provided by other auditors	3,105	-

16 OTHER SIGNIFICANT ACCOUNTING POLICIES

(a) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(b) Foreign currency translation

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(c) Impairment of assets

Financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Significant assets are tested for impairment individually. The remaining financial assets are assessed in groups that share similar credit risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The loss is recognised in profit or loss.

16 OTHER SIGNIFICANT ACCOUNTING POLICIES (cont)

(d) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period. Provision must be made in compliance with s254T of the *Corporations Act 2001* (Cth).

(e) Revised standards and interpretations applied

The Company has applied the following revised standard for the first time in the financial year commencing 1 July 2019.

AASB 16 Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease which will be the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement or modification of a contract that contains a lease the Company recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying assets or to restore the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determined its incremental borrowing rate by obtaining indicative interest rates from the Department of Finance.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in index or rate or if the Company changes its assessment of whether it will exercise an extension option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of use asset has been reduced to zero.

The leases impacted by the new standard are:

- the 3-year lease of office space in Port Adelaide where the Company is the lessee
- commercial property leases where the Company is the lessor
- licences with ASC Pty Ltd, ASCSB, ASC AWD and Luerssen where the Company is the lessor.

The impact of the new standard on the Company's financials in the current financial year is not significant.

16 OTHER SIGNIFICANT ACCOUNTING POLICIES (cont)

(e) Revised standards and interpretations applied (cont)

Impact on transition

On transition to AASB16 on 1 July 2019, the Company recognised a right-of-use asset and lease liability, originally at $526,601, for the Port Adelaide office. $112,838 less tax of $33,851 relating to a lease incentive that was carried in the balance sheet and was being released to the income statement over the life of the lease, was transferred to accumulated losses on transition.

To assist with the understanding of the impact of the application of AASB 16 in this initial period, refer to the following summary:

	$'000
Right-of-use asset	
Balance at 1 July 2019	527
Depreciation of right-of-use asset	(253)
Balance at 30 June 2020	274
Lease liability	
Balance at 1 July 2019	527
Reduction in liability	(248)
Balance at 30 June 2020	279

(f) Impact of standards issued but not yet applied

Certain new accounting standards, interpretations and amendments have been published that are not mandatory for 30 June 2020 reporting periods and have not been early adopted by the Company. They are not expected to have a material impact on the Company's financial statements.

INDEX OF REQUIREMENTS

This list of requirements has been prepared in accordance with Resource Management Guide No 137, 'Annual reports for Commonwealth companies' published by the Department of Finance in May 2020.

Description	Page(s)
a. The purposes of the company as included in the company's corporate plan for the reporting period.	4
b. The results of a measurement and assessment of the company's performance during the reporting period, including the results of a measurement and assessment of the company's performance against any performance measures and any targets included in the company's corporate plan for the reporting period.	8
c. The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers.	10
d. Any directions given to the entity by a Minister under the company's constitution, an Act or an instrument during the reporting period.	10
e. Any government policy order that applied in relation to the company during the reporting period under section 93 of the Act.	10
f. Particulars of non-compliance with: (i) a direction given to the entity by the Minister under the company's constitution, an Act or instrument during the reporting period; or (ii) a government policy order that applied in relation to the company during the reporting period under section 93 of the Act.	N/A
g. Information on each director of the company during the reporting period.	16-18
h. An outline of the organisational structure of the company (including any subsidiaries of the company).	6
i. Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (i) statistics on full-time employees; (ii) statistics on part-time employees; (iii) statistics on gender; (iv) statistics on staff location.	6
j. An outline of the location (whether or not in Australia) of major activities or facilities of the company.	7-8
k. Information in relation to the main corporate governance practices used by the company during the reporting period.	10-14

INDEX OF REQUIREMENTS cont

Description	Page(s)
l. For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than $10,000 (inclusive of GST): (i) the decision making process undertaken by the directors of the company for making a decision to approve the company paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (ii) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions.	N/A
m. Any significant activities or changes that affected the operations or structure of the company during the reporting period.	22-23
n. Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the company.	N/A
o. Particulars of any reports on the company given by: (a) the Auditor-General, or (b) a Parliamentary Committee, or (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner; or (e) the Australian Securities and Investments Commission.	N/A
p. An explanation of information not obtained from a subsidiary of the company and the effect of not having the information on the annual report.	N/A
q. An assessment of significant changes in the company's overall financial structure and financial conditions.	22-23
r. An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial condition.	23
s. Information on dividends paid or recommended.	23
t. Details of any community service obligations the government business enterprise has including: (i) an outline of actions taken to fulfil those obligations; and (ii) an assessment of the cost of fulfilling those obligations.	13
u. A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise.	13

CORPORATE DIRECTORY

Directors

- Lucio Di Bartolomeo (Chair)
- Peter Iancov
- Janice van Reyk
- Jeremy Schultz
- Alan (Jim) Whalley
- Andrew Seaton

Company Secretary

Sally McLennan

Auditors

ANAO and KPMG (as agent for ANAO)

Bankers

Westpac Banking Corporation

Registered office

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Port Adelaide SA 5015

Place of Business

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Osborne SA 5017

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